

Tougher windfall tax would protect families from rising bills in April – Labour

Labour would toughen up the windfall tax on energy companies, with the party set to urge the [Government](#) to stop the energy price cap rising this spring.

In a speech at the Fabian Society Conference on Saturday, shadow chancellor [Rachel Reeves](#) will warn that millions are under threat from rising bills come April, when Government support becomes less generous and average households will start paying £3,000.

Setting out Labour's plan to ease the pressure on energy bills, Ms Reeves will warn the Government against heading "unprepared" towards a "crisis".

At the centre of a plan would be a tougher windfall tax on energy companies, which the party said would help stop the energy cap rising by generating £13 billion across 2022 and 2023.

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Alongside a freeze on fuel duty, Labour also said it would introduce a new fund to “jump start” insulation, while also backing a three-month moratorium on the forced installation of pre-payment meters.

“Millions of households are still looking to a 40% increase in their energy bills, in April,” Ms Reeves will tell the conference.

“On a week when temperatures fell below zero, I know many families and pensioners will be feeling the pressure particularly acutely.

“And at the same time, energy companies continue to enjoy record profits.

“That cannot be right.”

Under the plans, off-grid households would be offered equivalent support, with funding available too for Northern Irish households.

But the party will also set out its long-term strategy of reaching 100% clean power by 2030 and retrofitting millions of homes, something it says could save households £1,400 each year.

“Sticking plaster politics is not enough”, Ms Reeves will say.

“We cannot persist with walking into a crisis unprepared, and at the last minute producing hugely expensive fixes to get us through, while the underlying problems – those weakened foundations – remain untouched.

She will say: “We would hold to that most basic of principles:

“That those who have profited from the windfalls of war should shoulder their share of the cost, so ordinary people do not have to bear the brunt of a crisis that they did not cause.

“We will extend the windfall tax, closing the fossil fuel investment loophole, and taxing oil and gas profits at the same rate as Norway.

“By backdating this from the start of 2022 – when oil and gas giants were already making historically large profits – we can raise more than £13 billion.”

Both Ms Reeves and Labour leader Sir [Keir Starmer](#) were at the [World Economic Forum](#) in Davos this week, where the party called for a “clean power alliance” of countries to help bring down energy prices.

Greenpeace UK welcomed the Labour plans, with head of politics Rebecca Newsom calling them “concretely progressive policies that chart a path through these crucial issues”.

“We still need to see more from Labour on providing immediate assistance to those already in fuel poverty. And more detail is needed to prove Labour is ready to deliver a green industrial strategy,” she added.